

Student Financial Assistance (SFA)
FP Core Processes
Reengineering Options and Analysis Deliverable
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Item #	Section	Page #	Comment	Author	Response	Status
1	Global	3, 6, 7, 21, 22, 24, 30, 31, 32, 35-39, 50	Clarify wording of recommendation #4. Streamline GA, Lender and Servicer review process and move to a self-evaluation approach has been interpreted as a complete move to a self-evaluation process. Change wording to reflect that self-evaluation will be used as tool in the review process, not as a replacement for the review process.	Ann Marie Cimino, Ben McPherson, IRG, Richard Criswell, Martha Shine, Ben McPherson, Roberta Russo, Joe Pire	Con call on 7/11 - the name for recommended solution #4 will be changed to 'Streamline GA, Lender and Servicer review process.' Meeting on 7/12 (D.C.) - Discussed the term "self-audit" will be replace with "self-evaluation." Recommendation #4 will be renamed from "Streamline the GA, Lender and Servicer Review process and move to a self-audit approach" to "Streamline the GA, Lender and Servicer Review process." The recommendation and solution description sections will also be updated to reflect new wording and the idea that self-evaluation is only a tool, and not a replacement of compliance reviews.	Updated
2	Global	8, 9, 15, 16, 34	Change all references of "Call Center" and "Customer Interaction Center" to "CRM" (Customer Relationship Management Center).	Ann Marie Cimino, Ben McPherson, IRG, Richard Criswell, Martha Shine, Ben McPherson, Roberta Russo, Joe Pire	Con call on 7/11 - Agreed to change all references of "Call Center" and "Customer Interaction Center" to "CRM".	Updated
3	Executive Summary	2	Since the edit verification is key to the payment processing function, they should be combined (I.e., Recommendations 3&4 should be combined).	Tony Magro, Angela Roca-Baker, Sandra Simmons	Meeting on 7/13 - Better explained "payment verification" (recommendation#3) and consensus was reached that these two recommendations should be kept separate.	No Change

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4	Executive Summary	2	Clarify term "payment verification." Give an example of a source system.	Tony Magro, Angela Roca-Baker	Meeting on 7/13 - "payment verification" refers to a verification of the invoice forms against a reliable data source (which will be defined in subsequent stages of the reengineering effort). We will add wording on page 2 to clarify the payment to/from concept. In addition, will mention the use of a data source.	Updated
5	Executive Summary, Solutions Overview	2, 22	page 2, 6th bullet & page 22, 3rd box: Consolidation & Sallie Mae Fees are collections, not payments.	Angela Roca-Baker	Meeting on 7/13 - Clarified that we understand this; however, no change to document, since the use of "Sallie Mae Fee" in the context of this bullet point is still applicable.	No Change
6	Executive Summary	4	Is "oversight" being renamed "GA, Lender and Servicer Performance Management?"	Ben McPherson	Con call on 7/11 - No, the name of the Oversight group is not being changed. The figure depicts the four core processes and corresponding best practice areas.	No Change
7	Executive Summary	5	Have we identified specifically "who is best in business?"	Ben McPherson	Con call on 7/11 - the best practices cited in our deliverables were identified from research reports, various industry presentations (e.g., Association for Financial Professionals, etc.), and other studies (both internal and external to Andersen Consulting) that globally monitor industry best practices around a particular function (e.g., cash management).	No Change
8	Executive Summary	5	5th bullet point from top - Reference to creating and publishing Dear Partner Letters should not be referenced as "currently not being performed." Add "or which can be enhanced" to end of this sentence.	Richard Criswell	Con call on 7/11 - will change to "can be enhanced."	Updated
9	Executive Summary	5	First bullet: "Providing policy interpretation" is not a FP responsibility. However, FP does work with SFA policy to provide "operational" policy.	Sandra Simmons, Angela Roca-Baker	Meeting on 7/13 - Agreed. Put the word "operational" before "policy interpretation."	Updated

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10	Executive Summary	5	Fifth bullet: FP staff does participate in interpreting changes in regulations, proposing new regulations, & issuing Partner Letters.	Sandra Simmons, Angela Roca-Baker, Tony	Meeting on 7/13 - Explained and discussed at meeting.	No Change
11	Executive Summary	5	Fourth bullet: Insert "clearly defined" after "Implementing."	Tony Magro, Sandra Simmons, Angela Roca-Baker	Meeting on 7/13 - Agreed.	Updated
12	Executive Summary	6	Options & Analysis, bullet 6&7: Delete reference to "loan origination fees." Change this to "Lender Payments."	Angela Roca-Baker	Meeting on 7/13 - Agreed. Will change wording.	Updated
13	Executive Summary	7	#57: Community Workgroups?	Angela Roca-Baker	Meeting on 7/13 - Discussed and explained workgroups at meeting.	No Change
14	Executive Summary	7	What do the LEAP/SLEAP acronyms stand for?	Ben McPherson	Con call on 7/11 - (S)LEAP stands for (Special) Leveraging Educational Assistance Partner Program.	No Change
15	Executive Summary	7	Didn't we have additional quick hits?	Ben McPherson, IRG, Joe Pire	Con call on 7/10 - Explained that lower level recommendations will be used as input to subsequent phases.	No Change
16	Executive Summary	7	#54: Also, include streamline GA & Lender Payment Process.	Angela Roca-Baker, Sandra Simmons, Tony Magro	Meeting on 7/13 - Agreed. Will add "Fully integrate reengineered automated Guaranty Agency (and Lender) payment and cash management functions."	Updated
17	Executive Summary, Solutions Overview	7, 12, 30-33	page 7, #56, #59: Sallie Mae Fees. Page 12, Benefits: Receipt, not payment of Sallie Mae Fees. Pages 30-33: Sallie Mae and Loan Consolidation fees aren't payments. Lender reporting does 100% verification. Lenders are subject to annual audits (\$5 million threshold).	Angela Roca-Baker	Meeting on 7/13 - Agreed. Wording changed throughout the document (on pages 2, 6, 22, 29, 30, 33, 51) to reflect receipt of Sallie Mae fees.	Updated

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18	Executive Summary	8	What is an Enterprise-wide program development review?	Ann Marie Cimino, Richard Criswell, Roberta Russo	Con call on 7/11 - the Enterprise-wide program development review refers to reviewing SFA program development processes. Sentence will be changed to 'Review Enterprise-wide Program Development processes and provide link to FP Policy and Analysis.'	Updated
19	Executive Summary	9	Explain re-categorize FISL portfolio.	Richard Criswell	Con call on 7/11 - Explained that the wording refers to recategorization for billing purposes. See Improvement Opportunity #3, pg. 13. From GA/Lender workgroup. Decided not to include as recommended solution.	No Change
20	Executive Summary	9, A-1 thru A-4	Table of FP Channel improvement terms that have not been defined.	Martha Shine	Con call on 7/11 - FTP stands for "File Transfer Protocol." CRM stands for "Customer Relationship Management." The term Contact Tracking System is also used to refer to the CRM concept.	No Change
21	Improvement Opportunities	11	Recommended Solutions - first bullet point: Implement web based forms is underway and not something new.	Lee Avery	Con call on 7/11 - will change wording to "...enhance/expand current efforts..." The improvement opportunity was mentioned by the GA/Lender team. AC is working with the GA/Lender team on the Form2000 effort.	Updated
22	Improvement Opportunities	11	Business Problem: Lender requests for payments do not have multiple points of entry (either EDI or paper). The lockbox is used for the collection of fees due to ED.	Angela Roca-Baker	Meeting on 7/13 - Clarified that in the context of this paragraph, the statement refers to payments received from lenders and that these do have multiple points of entry (I.e., lock box and headquarters).	No Change
23	Improvement Opportunities	11	Recommended Solutions: Delete reference to Form 2000 (this form is currently being developed in electronic form, in conjunction with FMS).	Sandra Simmons, Angela Roca-Baker	Meeting on 7/13 - Agreed. Words deleted as requested.	Updated

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24	Improvement Opportunities	11	Benefits: Reduced data entry errors for lenders also.	Angela Roca-Baker, Sandra Simmons, Tony Magro	Meeting on 7/13 - Discussed and explained this statement at meeting.	No Change
25	Improvement Opportunities	12	Business Problem box - First two bullets do not apply to Sallie Mae fees.	Richard Criswell	Con call on 7/11 - will delete first two bullet points and add a bullet point that states: "No current audit process"	Updated
26	Improvement Opportunities	12	Why is this specific to Sallie Mae?	Ben McPherson	Con call on 7/11 - Explained that information came from a workgroup.	No Change
27	Improvement Opportunities	14	Business problem bullet #2 is an incorrect statement.	Ann Marie Cimino, Richard Criswell	Con call on 7/11 - change bullet to 'Enhance coordination across regions regarding review of Lenders and Servicers.'	Updated
28	Improvement Opportunities	16	Recommended Solutions: FP has an existing web-site and mail boxes for both GAs and Lenders.	Angela Roca-Baker, Sandra Simmons, Tony Magro	Meeting on 7/13 - Change the word "Develop" to "Enhance."	Updated
29	Improvement Opportunities, Appendix A & B	16, A3, B6	The state designation for HQ's and regional offices should be part of the recommendation.	Ann Marie Cimino	Con call on 7/11 - the Reengineering Options and Analysis deliverable is a high level document. Oversight and Technical Assistance lower level recommendations will be input into subsequent phases. AC also recommends working with the Enterprise-wide CRM effort to provide a focus on FP requirements.	No Change
30	Solutions Overview	26	Recommendation #2: Workarounds are not required for processing Lender Payments.	Angela Roca-Baker	Meeting on 7/13 - Explained the context in which recommendation#2 was written.	No Change
31	Solutions Overview	27	The pilot process of on-line payments is well known, but not mentioned in the document.	Lee Avery	Con call on 7/10 - the pilot is for FTP, not edits.	No Change
32	Solutions Overview	27	Cost Benefit Analysis, 4th bullet: Again, no workarounds. Data Integrity is not an issue. This would be improved at the servicer/lender level.	Angela Roca-Baker	Meeting on 7/13 - Agreed to delete the word "manipulation" from this bullet.	Updated

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33	Solutions Overview	31-34	What was this data based on?	IRG	Con call on 7/11 - Estimation description was provided. Explained that there would be a further review in the business case.	No Change
34	Solutions Overview	38-39	Use something other than dollars recovered ratio as a measure of effectiveness - e.g., track the rejection rates for Lender and GA billings and claims.	Roberta Russo	Meeting on 7/12 (D.C.) - Additional non-monetary benefits will be listed in detailed description of Recommended Solution#4, on page 38. Also, as discussed during the 7/10 and 7/11 con call, additional benefits outside of cost savings is a detail that will be expounded on in more detail in subsequent phases.	Updated
35	Solutions Overview	30, 31, B2	Regarding the automated verification checkpoint, are you recommending edits in the system? Need further discussion.	Ann Marie Cimino, Ben McPherson, IRG, Martha Shine, Roberta Russo	Con call on 7/11 - the verification checkpoint would be an automated process using better data to enhance reasonability checks.	No Change
36	Solutions Overview	35	The workgroup discussed many ways to streamline and improve the review process. Why were these improvement opportunities not included in the recommendations?	Ann Marie Cimino	Con call on 7/11 - the Reengineering Options and Analysis deliverable is a high level document. Oversight and Technical Assistance lower level recommendations will be input into subsequent phases.	No Change
37	Solutions Overview	35	What is a Sample Lender performance review procedure?	Ann Marie Cimino	Con call on 7/11 - change the word "Sample" to "Selected (based on risk profiling)"	Updated
38	Solutions Overview	36	* Current Situation: Disagree with first line under table: Reword "The review process is currently not tracked..." * Current Situation: First paragraph under table: Change wording of "This prevents estimating elapsed time..." * Current Situation: First paragraph under table: Change wording of "It is not possible to estimate the future receipt..."	Ann Marie Cimino	Meeting on 7/12 (D.C.) - * Changed wording to mean "The actual time spent performing a review is not currently tracked..." * Changed to "It is difficult to estimate the elapsed time from the beginning..." * Changed to "It is also difficult to estimate the future receipt of money..."	Updated

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39	Solutions Overview	36	The figures used for 1998 and 1999 are incorrect. Erroneous information.	Ann Marie Cimino, Ben McPherson, Richard Criswell, Roberta Russo	Con calls on 7/10 and 7/11 - Agreed that the bullet points will be replaced by a table that clarifies the total number of lender reviews conducted, and of these the top 100 Lender reviews conducted by SFA and the number of top 100 Lender reviews conducted by GAs. This data came from PEPS.	Updated
40	Solutions Overview	36	The top 100 Lenders are not reviewed by ED to avoid redundant reviews. Currently, GAs are responsible for reviewing the top 10, 2%.	Ann Marie Cimino, Richard Criswell	Con call on 7/10 - Agreed that AC will receive and review PEPS reports regarding GA reviews of top 100 Lenders. AC will update the document with the PEPS data from Nettie Harding. AC will include a sentence in document describing that currently, FP channel does not regularly review top 100 lenders, b/c GAs are responsible for reviewing.	Updated
41	Solutions Overview	36	Solution Description section: Delete first, second, and third bullet points (from original document). First bullet point: Performing baseline review of Guaranty Agencies..." Second bullet point: "Conducting performance-based reviews for medium Lenders based on risk modeling criteria..." Third bullet point: "Coordinating Oversight efforts in partnership with GA reviews of small lenders."	Ann Marie Cimino, Roberta Russo, Lee Avery, Nettie Harding	Meeting on 7/12 (D.C.) - Agreed to delete these three bullet points and replace with a bullet that states: "Implementing quality control efforts and ensuring GA reviews of small lenders."	Updated
42	Solutions Overview	36	Solution Description section: Add bullet that states that SFA reviews Servicers using third party regulations and multi-guaranteed Lenders. GAs review Lenders that only have one guarantor and are not serviced.	Ann Marie Cimino	Con call on 7/10 - Agreed that AC will add comment as an item under the solution description section.	Updated
43	Solutions Overview	36	What do you mean by baseline reviews?	Ann Marie Cimino	Con call on 7/11 - an initial review of all entities will provide baseline data to evaluate performance under the new processes and to track trends over time	No Change

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44	Solutions Overview	37	Getting loan-level data for self-evaluation purposes will involve GAs, who already submit this information to us. How are we going to resolve this issue?	Ann Marie Cimino	Con call on 7/11 - Explained that this is a "how" question that will be addressed in subsequent phases.	No Change
45	Solutions Overview	37, 38	AC did not mention the number of technical assistance reviews of GAs that took place in the last 3 years.	Ben McPherson	Con call on 7/11 - Explained that we used PEPS to obtain accurate counts of oversight reviews only.	No Change
46	Solutions Overview	38	The self-evaluation reviews will save travels dollars and staff time, however, they will not net the liabilities you are projecting nor will it increase collections. I suggest using a much smaller percent (less than 25% which is still high) to provide a more realistic number.	Ann Marie Cimino	Con call on 7/11 - changed assumption to 25% increase in liabilities collected due to the employment of self-evaluation techniques in the review process.	Updated
47	Solutions Overview	38	Cost of average review seems high.	Ben McPherson, Richard Criswell	Con call on 7/11 - explanation of estimates provided. Will be reviewed in business case.	No Change
48	Solutions Overview	38	Table III.9: You can't base projected future earnings on past performance, because once you cite a lender for a finding, you have very few findings in subsequent years (due to technical assistance provided and preventative measures taken as a result of initial compliance review findings)	Lee Avery, Paul Sullivan, Martha Shine, Ben McPherson, Nettie Harding, Ann Marie Cimino, Joe Pire, Roberta Russo	Meeting on 7/12 (D.C.) - Agreed to update page 38 to include a footnote that qualifies our projections. The footnote will read: "These estimates are based on prior year's data and may not predict the future."	Updated
49	Solutions Overview	39	Change 'develop new review procedures/guide' to 'update and enhance review procedures/guides'. IG has approved the prior guide - let's just build on that guide.	Ann Marie Cimino	Con call on 7/11 - change wording to: "Update and enhance review guide."	Updated

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50	Solutions Overview	8, 46, 47	Clarify meaning of “ Bi-weekly con calls between SFA & FP”.	Ann Marie Cimino, Roberta Russo	Con call on 7/11 - the quick hit is in reference to reestablishing the con calls between SFA Program Development and FP Policy and Analysis. Regional Review Specialists are welcome to participate on these con calls to aid communication and information dissemination. Changed wording to read "reestablish con calls between SFA Program Development and FP channel staff."	Updated
51	Appendix B	B2	First Box - Current Practice: Percentage should be 99.9% of lenders do not submit 799 reports via web-based electronic submission.	Martha Shine	Con call on 7/11 - Agreed to keep figure at 80%.	No Change
52	Appendix B	B2	3rd Box - Current Practice: This box says that no billing forms are scrutinized for accuracy before they are paid.	Ann Marie Cimino	Con call on 7/11 - will reword to "Currently, system edits are performed on billing forms received, but no detailed verification of accuracy of data (i.e., against loan level data) is performed."	Updated
53	Appendix B	B4	Under Best Practice: Change word "Company" to "Entity"	Martha Shine	Con call on 7/11 - will change word "company" to "entity."	Updated
54	Appendix B	B4	What do you mean by “Exception process”. Does this mean only review lenders from the risk model or problems from the self-evaluation?	Ann Marie Cimino	Explained in 7/11 meeting: Exceptions implies problem areas, extraneous circumstances, etc. (identified by the risk model) that would be reviewed out the normal review cycle.	No Change
55	Appendix B	B4	Box 1 and Box 3 - Current Practice: Disagree with the statement that review guidelines are not consistently followed.	Ann Marie Cimino, Roberta Russo	Con call on 7/11 - In box 1, will change wording to: "Currently, reviews are tracked; however, there is no ability for trend analysis." In box 3, will also delete "...they are not consistently followed."	Updated
56	Appendix B	B4	Box 3 - Recommendation: Change "Rewrite the GA, Lender, Servicer reviews" to "Revise the GA, Lender, Servicer review guide."	Ann Marie Cimino, Martha Shine	Con call on 7/11 - will change "Rewrite the GA, Lender, Servicer reviews" to "Revise the GA, Lender, Servicer review guide."	Updated

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57	Appendix B	B5	PEPS and other systems do track the information, however, no analysis is being done to interpret or use the data collected.	Ann Marie Cimino, Roberta Russo, Lee	Con call on 7/11 - will change 'results are not tracked...' to 'results are not analyzed...'	Updated
58	Appendix B	B5	Box 1 - Best Practice + Current Practice: Cured is a term that is used by the regulations to mean reviewing borrower files that have been cured. Use different term.	Ann Marie Cimino, Lee Avery	Con call on 7/11 - will change 'cured' to 'closed.'	Updated
59	Appendix B	B5	Box 1 - Current Practice: Do not agree with the statement that closed reviews are not followed-up and re-reviewed. We provide technical assistance follow-up reviews to those financial partners with review findings.	Ann Marie Cimino, Lee Avery	Con call on 7/11 - will change wording to "Currently, re-reviews of closed reviews (with findings) are performed but not always tracked."	Updated
60	Appendix B	B5	Box 2 - Current Practice: The regional offices are all using the same criteria that has been set to review lenders. GA's are single scope reviews with all regions reviewing the same data and doing the same scope. We have a standard criteria, procedures, and scope that all regions used.	Ann Marie Cimino, Lee Avery, Roberta Russo	Con call on 7/11 - will change wording from "different criteria" to "multiple criteria."	Updated
61	Appendix B	B5	Box 4 - Current Practice: We do have self-review capabilities within SFA.	Ann Marie Cimino, Lee Avery	Con call on 7/11 - will change wording from "Currently, no self auditing capabilities exist within SFA..." to "Currently, inconsistent self auditing capabilities exist within SFA..."	Updated
62	Appendix B	B5	Box 5 - Current Practice: The regional offices do coordinate with the GA review of Lenders. The review results are monitored by PEPS (and ED staff) while the reviews are coordinated through the regional offices.	Ann Marie Cimino, Lee Avery	Con call on 7/11 - will change 'neither monitored' to 'not analyzed'. Delete 'nor coordinated...' Insert sentence describing that GA reviews of Lenders are tracked both manually and through PEPS.	Updated
63	Appendix B	B5	Please explain what is meant by "Take preventative measures against large, lengthy reviews in future by having Financial Partners submit detailed data directly to SFA to allow self-evaluationing."	Roberta Russo	Con call on 7/11 - will change wording to better convey that self evaluations will improve efficiencies in reviews.	Updated

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64	Appendix B	B6	Box 2 - Current Practice: Change "handle" to "track."	Lee Avery	Con call on 7/11 - will change "handle" to "track."	Updated
65	Appendix A & B	General	Improvement Opportunities: Any mention of improvement opportunities at some point needs to address human resources - who is doing what? How effective is this? Can resources be changed?	Tony Magro	Meeting on 7/13 - Explained that this is a detail that will be addressed in subsequent phases of the reengineering effort.	No Change
66	Appendix C	General	Summary of Related SFA Projects: Please include at least a partial review of current status of these projects. For example, what has been accomplished by the other projects? Document narrative is descriptive only.	Tony Magro	Meeting on 7/13 - Agreed that a narrative of the current status of these projects will be provided in a separate document in the future.	No Change